from reinfestation from Mexico is to establish a barrier zone along the border in which sterile flies can be systematically distributed. This proposed barrier zone is a national responsibility and cannot be accomplished by the State of Texas, nor by local interests.

The request in this regard is for the appropriation of $5,500,000 with no requirement of local matching. This sum is sufficient for the continuation of a highly effective program of great importance to the Southwest. Unless the Department of Agriculture can assume responsibility for the program, the $12 million investment which has been made may be sacrificed and the gains made in screwworm eradication will be lost.

I shall be happy to supply additional information and urge your subcommittee's favorable consideration of this matter.

Sincerely yours,

RALPH W. YARBOROUGH.

COFFEE AGREEMENT WILL SOLVE ONE PROBLEM BY CREATING ANOTHER

Mr. PEARSON. Mr. President, H.R. 8864 purports to implement the International Coffee Agreement of 1962.

When the Senate gave its advice and consent to the ratification of this treaty on May 21, 1963, there were doubts as to whether this agreement would be in the best interest of the United States. The pending legislation recalls and renews those reservations.

Any international commodity treaty is a mixture of economic and diplomatic purposes. This coffee agreement is no exception.

Economically, the stated purpose of the agreement is to keep the price of coffee stable, by placing a floor under its price in the world market.

Diplomatically, the unstated purpose of the agreement is to provide for stable coffee prices for many Latin and South American nations having a one-crop economy, thereby providing for a stable government.

Mr. President, that treaty and this legislation would solve one problem by creating another. While the treaty and H.R. 8864 would place a floor under world coffee prices, it would establish no ceiling. Price stability would be achieved only below a certain price. Above the international price-support level, fluctuations are probable and possible. The United States, as the purchaser of 52 percent of the world's supply of coffee, as the largest coffee importer in the world, has a justifiable concern.

Mr. President, it should be noted that between the time when the treaty was ratified and the time when H.R. 8864 was made the pending business of the Senate, there has been an increase of 17 cents a pound—or 50 percent—in the wholesale price of coffee.

We are told that natural disasters in Brazil have reduced coffee stocks. But a shortage attributed to this cause is artificial. Brazil has a stored surplus sufficient to offset the past year's disaster.

Moreover, these facts were known to the International Coffee Council. The Council, however, refused to increase quotas, accepted the artificial shortage, and thereby raised the price for all—including the American consumer.

Under this treaty and legislation, a single producing and exporting nation, or a coalition of such countries, could limit supplies and could increase the world price.

Proponents of the treaty and the legislation claim that the United States has sufficient influence as the largest coffee importer and enough votes on the International Coffee Council to be able to prevent actions which would be adverse to our consumer interest and our rising cost-of-living index.

In answer to this assertion, it should be noted that our voting power on the International Coffee Council is not equal to our percentage of imports or to our interest in the world coffee market. Second, in the first test—the quota problem due to the Brazilian shortage—our representatives were unable to prevent the increase.

Proponents of the treaty and the legislation assert that the United States could always "swing a vote" by exerting greater diplomatic pressure. Such a move would indeed be a poor substitute for appropriate voting power, and would be certain to result in a loss of trust and friendship with our Latin American neighbors.

Proponents of the treaty and this legislation claim that defeat of this implementing legislation would be inconsistent with our pledges under the Alliance for Progress. It is true that we have promised to promote stable and strong economies in Latin America.

The inconsistency, however, lies in the possible detrimental effects of this treaty on the economy of the United States. In order for the United States to promote and encourage stable and strong economies abroad, we must have one ourselves.

Enactment of this legislation could be another element of disruption to the U.S. economy, as much as it would be an element of stabilization to the Latin American economies.

Proponents of the treaty and the legislation point out that the United States can always withdraw from the agreement, after serving a 90-day notice of such intention. Technically, this is true. Yet such an argument discounts diplomatic pressures. A better answer is the rejection of this bill.

CUTTING COSTS OF ARCTIC OIL DEVELOPMENT

Mr. BARTLETT. Mr. President, over a year ago, I introduced Senate bill 1496. This measure would authorize the Secretary of the Navy to produce and sell crude oil from the Umiat field, Navy Petroleum Reserve No. 4, with the purpose of making local fuel available for limited use in oil and gas exploration now being carried on north of the Brooks Range, in Arctic Alaska. A companion measure was introduced in the House by Congressman RALPH RIVERS.

Yesterday, the Senate gave its final approval to this measure; and it is on its way to the President, for his signature. I believe this measure, although not a major piece of legislation, will contribute in a significant manner to the development of the newest and most significant industry in Alaska: oil. Alaska's burgeoning oil industry has been, until now, largely concentrated in the southwestern part of the State. There are at the present time 66 producing wells in the Swanson River and in the Kenai and Sterling fields. Soon there will be additional producing wells in the Cook Inlet region.

These resources are both rich and extensive; their development will be of great assistance to Alaska's economic advancement.

Far to the north, however, deep within the Arctic Circle, over the Brooks Range, there lie oil and gas reserves which may be of even greater import. These may, according to the New York Times, even rival the resources of the Arab Peninsula.

The bill passed yesterday will assist in the exploration and development of these great resources.

Naval Petroleum Reserve No. 4 lies in the center of this region rich in oil potential. The Umiat oil field, which is part of the reserve, was discovered in 1945. Eight successful wells have been drilled. This field, completely held by the Navy, is estimated to contain at least 50 million barrels of recoverable oil. Although this is recoverable oil, and although there are even now wells and pumps on the site, there hase been no recovery. The oil is not used, nor is the equipment, although it is kept in a condition of standby readiness. The wells at Umiat are comparatively shallow ones. The oil produced will fuel diesel engines or stoves, just as it comes from the ground. No treatment or processing of any kind is necessary.

The bill provides that the oil as it comes out of the ground may be sold to companies doing exploration and development work in the field, to be used to fuel their drill rigs and to keep their equipment warm and operable in the freezing temperatures of winter.

At the present time, fuel costs constitute the largest single expense in Arctic exploration work. Recently, a gas well was drilled in the nearby Gubik area. The fuel costs of this operation exceeded by 20 percent the drilling costs.

All fuel oil used on the Arctic slopes must be flown in from Fairbanks, 450 miles away, or barged in during the summer from Norman Wells, in Canada, 1,000 miles away. Costs range from 93 cents to $1.30 a gallon. A barrel of oil selling for $3 in Anchorage will cost in excess of $35 at Umiat.

The Navy has petroleum ready and available. Two of its wells are in operating condition. The drilling rig, the pumping unit, and the diesel engine are installed at the wellhead. This oil is now available, without additional expense to the Government.

The sale of Umiat oil would be made at no cost to the Government; in fact, it is expected that the Government will receive a profit from the operation. It is contemplated that the oil would be sold in the ground, with the purchaser being obliged to pump it from the existing productive wells, for limited use, and only